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ABSTRACT

A study examined the perceptions, policies, and practices vis-a-vis older workers in American business today. The study population consisted of executives with senior responsibility for making human resource decisions at 400 companies. The companies were selected randomly, with 100 each belonging to one of four size groupings ranging from 50 to more than 1,000 employees. Older workers were generally perceived positively. They were particularly valued for their experience, knowledge, and work habits and attitudes. In most companies, the salary and health insurance costs of older workers were not seen as being higher than those of younger employees. There were some negative perceptions of older workers, however. These centered around issues of their flexibility, adaptability to technology, and aggressive spirit. Few if any signs of overt or systematic discrimination against older workers were found. Comparisons between programs deemed potentially effective and those actually implemented suggest that companies could be doing more to promote the full utilization of older workers, particularly in the areas of management commitment, employment/retirement policies, and training. It appeared that older workers do have a significant role in advancing their own cause within companies. Company size was much more significant than region or industry in terms of company attitudes and practices toward older workers. (MN)

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WORKERS OVER 50: Old Myths, New Realities

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American Association of Retired Persons

INTRODUCTION

In mid-1985, the American Association of Retired Persons (AARP) initiated a research effort designed to document the perceptions, policies and practices vis-a-vis older workers in American business today. Yankelovich, Skelly and White, Inc. (YSW), the marketing and social research firm, was engaged to conduct the study and issue a report on its results.

Why this study now? Until recently, the status of older workers in American business has been governed by certain widespread assumptions: the privileges of seniority, the desire among employees to retire as soon as possible, an unlimited pool of young labor, and the scenario of long service with a single company. Events and trends over the past few years have called these assumptions into question. As a result, the relationship between older workers and American business has changed, for the following reasons:

- First, a new business climate, shaped by the competitive pressures of a global economy in which America no longer enjoys unchallenged leadership, has led to new expectations for employee performance. Flexibility has replaced loyalty as a critical imperative for the "lean and mean" company of the 1980's. And, the stability which characterized earlier eras in business has been challenged by massive corporate restructuring: mergers, takeovers, spin-offs, and buy-outs.
- An important strategy for regaining competitiveness has been large-scale reductions in corporate work forces, or "downsizing." This has been accomplished for the most part by thinning out the ranks of middle management or through automation. In either case, older employees, via the mechanism of early retirement incentives, have often been the ones asked to step down.
- At the same time, however, there is a growing awareness of the aging of our society and its future implications. While the labor force participation of those over 50 has been declining since World War II, this trend will reverse as the baby boomers enter their 50's some ten or fifteen years hence. Even today, the "young-old" exhibit much better health and vigor than their over 50 predecessors, a fact that has gained wide recognition among marketers.
- Not only will there be more older workers, there will be a greater need for them. As fewer people will be entering the work force, there may be severe labor shortages in certain sectors of the economy. Despite these trends, many organizations still enforce mandatory retirement regulations.
- Many older employees will exhibit a corresponding desire to remain in the work force for longer periods. The promise of early retirement has turned out to be a disappointment for many Americans, who in retrospect would prefer to be working. This lesson has not been lost on the current generation of employees over 50. Also, there is considerable concern that Social Security and other pension plans will provide inadequate support—another reason to continue working longer.

Taken together, then, the trends shaping the agendas for business and for older workers suggest that now is an appropriate time to take a closer look at the 50-plus employee. To accomplish this, AARP and YSW agreed that an in-depth, impartial survey of human resource decision makers in a cross-section of American companies would yield an accurate picture of current corporate attitudes and practices regarding older workers.

The survey was conducted in November, 1985 among a random sample of 400 companies—100 each in four size groupings—representing the universe of all companies

with 50 or more employees. The methods used in sample selection were designed to ensure that the final sample would truly reflect this universe of companies in terms of industry type and region. Sample balancing weights were applied to adjust for the disproportionate company size allocations, so that the analysis of the total population would properly reflect their real-world proportions.

In each company, the person interviewed was the executive with senior responsibility for making human resource decisions. In larger corporations this was often the vice president of human resources or personnel; in smaller ones, the CEO.* The one hour, in-person interview was conducted by YSW's Senior Council, an elite corps of executive interviewers.

For the purpose of the study "older workers" were defined as employees 50 years of age or older. As a preliminary research step, four focus groups were conducted among human resource directors, benefits managers, and training managers.

This report includes the following sections:

- **Backdrop:** a discussion of the new business climate and the questions it raises regarding the older worker.
- **Research Findings:**
  - Study highlights
  - American business looks at the older worker
  - Older workers in the new business climate: the traditional equity issue and a broader view based on reciprocity between employer and employee.
- **Implications:** Toward reciprocity.

*Throughout the report, the respondents are referred to as "human resource decision makers" or "gatekeepers."

BACKDROP:

THE BUSINESS/SOCIAL CLIMATE

Since the early 1980's, the business/social climate has been characterized by a resurgence of competitiveness and an entrepreneurial mood in corporate America. The spirit of this "new" climate—which YSW has been studying via ongoing research among business leaders* and ordinary Americans—can be summarized by five broad themes:

- **A new realism:** Acceptance of boundaries, or "you cannot be/do/have everything." Importantly, this recognition of limits is no longer viewed as a negative, but as a prerequisite for success. A corollary to the New Realism is a sense of tempered optimism: when goals are set within realistic limits, American business believes they can be attained.
- **Commitment to cost-effectiveness:** Not a search for the cheapest or easiest, but a search for solutions at the best possible cost in terms of money, time and effort.
- **More competitive, pragmatic attitudes:** A waning of the egalitarian spirit of the 1960's and 1970's—and the entitlements that accompanied it—and a resurgence of meritocracy and the "will to win." Americans have moved away from ideological approaches (what is right) and toward case-by-case pragmatism (what works).
- **Return of wit and wisdom:** Less dependence on pat formulae and "numbers crunching," and a renewed respect for age and experience to balance technology and textbook solutions.
- **A decreased emphasis on Federal government activism** in the business world, manifested by industry deregulation and somewhat less avid protection of minorities, women and other special groups.

For the older employee, these themes represent cross-currents containing both positive and negative implications. On the one hand, the return to wit and wisdom has led to a reconsideration of the older employee's storehouse of knowledge and experience. Burned too often by theoretical approaches which are ineffective in the real world, companies have begun trying to get "back to basics." This can be a boon for those employees—many of them over age 50—experienced in the methods and approaches which have been successful over time, and possessing a working knowledge of the business.

Simultaneously, the business climate has raised some questions about the older worker in the minds of American business. In a very cost-conscious environment, the questions surrounding the added expense, if any, of older workers are bound to receive attention. Are the salaries of older workers higher than comparable younger workers? What about health care coverage? And, remembering that cost-effectiveness does not mean simply low cost, but value, do the contributions of older employees justify their expense?

Another question deals with the adaptability of older employees. Does the solid experience for which older employees are valued also mean being "set in their ways"?

In the current environment, the ability to adapt to rapid change—including new technologies—has become a critical element of competitiveness, both on the company level and the individual level. Thus, companies are stripping themselves of redundant functions

*In particular, YSW has conducted a series of studies in conjunction with Coopers & Lybrand among CEO's and other senior executives on important strategic issues facing America's largest corporations.

and layers of management in an attempt to respond quickly to changing markets and economic conditions, and attempting to streamline operations by introducing the latest technologies. This agenda requires employees who demonstrate flexibility and adaptability. Does the older employee measure up?

A Changing Work Contract

Amid these questions is an important shift in the very nature of the relationship between organizations and employees, or what we have called the "work contract."* In the 1950's, the work contract was rooted in the Protestant work ethic. Employees sacrificed for the good of the company and their loyalty was to be rewarded in the future. In an economy that was growing steadily, many of these promises were kept, but the leading actor in the work contract relationship was the company, not the employee.

The social upheaval of the 1960's changed all that. With affluence seemingly assured for most Americans, the idea of sacrifice lost meaning for many. The work contract was recast with the employee in control. Prominent among employee demands were egalitarianism, the notion that all workers on any given level be treated the same, and entitlements, benefits and perquisites which did not have to be earned, but were "owed" to employees. Furthermore, these demands were to be enforced by an activist Federal government with a "fix-it" agenda.

In today's climate, however, both egalitarianism and entitlements have lost their validity. Management and most employees now favor a system based on merit, with rewards tied not to seniority or grade, but directly to performance. In addition, the entitlements workers came to expect in the 1960's and 1970's, such as free medical coverage and job security, have fallen victim to the exigencies of a slow-growth economy. With the traditional contract between employees and companies undergoing rapid change, a new concept—reciprocity—is emerging. In this view, the corporation asks for commitment to its agenda and rewards those employees whose performance helps it meet its objectives.

What, then, is the status of the older worker in the era of reciprocity? Are there instances in which older employees are bearing more than their share of the brunt of economic restructuring? What can be done to leverage fully the talents of the 50-plus employee in the service of organizational goals? And, what must older employees themselves do to ensure that their performance records are recognized and rewarded?

Thus, the new business/social climate has raised important questions about older workers in American business, in areas such as:

- The ways they are perceived: strengths, weaknesses and myths.
- Definitions of the work contract and their implications for the older worker.
- Means by which full utilization of older workers who want to work can be achieved.

As will be seen in the study findings that follow, the cross-currents of the new business climate are strongly reflected in gatekeeper attitudes regarding the issues facing American companies and the role to be played by older employees.

*The term "work contract" is meant as an analogue to the "social contract" between citizens and government, and should not be confused with labor union contracts.

THE RESEARCH FINDINGS:

STUDY HIGHLIGHTS

In brief:

- In general, older workers are perceived very positively by gatekeepers. They are particularly valued for their experience, knowledge, and work habits and attitudes.
- The salary and health insurance costs of older workers in most companies are not seen as being higher than those of younger workers.
- There are some negative perceptions of older workers, centering around questions about their flexibility, adaptability to technology and aggressive spirit—all imperatives of the current focus on competitiveness in American business.
- There are few if any signs of overt or systematic discrimination against older workers, and gatekeepers do not believe that new Federal regulation is necessary to protect the rights of older employees.
- Beyond narrow "equity" issues, such as technological displacement or systematic denial of opportunity for older workers, a broader set of issues exist. These issues, which include continuity of employment and full utilization of the special skills of older workers, must be addressed to promote a "fair shake" for older employees.
- Comparisons between programs deemed potentially effective and those actually implemented suggest that companies could be doing more to promote the full utilization of older workers, particularly in the areas of management commitment, employment/retirement policies and training.
- There is a significant role for older workers themselves in advancing their "cause" within companies.
- The most salient and consistent differences in gatekeeper attitudes and company practices are found between larger and smaller companies. Analysis of the data by region, industry or other variables studied yields variances which are much less significant.

AMERICAN BUSINESS LOOKS AT THE OLDER WORKER

Global Perceptions

In general, older workers are perceived quite positively by American business. They are widely valued for their knowledge and experience, work habits and attitudes, and emotional maturity.

- When asked to list strengths of older workers on a voluntary basis, more than 7 in 10 (72%) gatekeepers mentioned experience/skill/knowledge and 3 in 10 (29%) cited superior work habits (Figure 1).
- Respondents were also asked to rate older employees on a series of desirable employee characteristics. Again, experience and knowledge, and work attitudes and habits (attendance, quality, loyalty, good performance, etc.) were among the characteristics for which older workers were most highly rated. They also received good marks for emotional stability, compatibility, and performance in crisis situations (Figure 2).

The gatekeepers also cited some weaknesses of older workers, though these were somewhat less widespread.

- In particular, resistance to change and physical limitations, each mentioned by about 4 in 10, were the leading weaknesses volunteered (Figure 1).
- Again, these perceived weaknesses are reflected in the ratings older workers received on key characteristics. For instance, relatively few gatekeepers rated older employees highly on "feeling comfortable with new technologies" (10%) or "the ability to learn new skills quickly" (17%) (Figure 3).

At first glance, these responses may seem merely to echo common stereotypes about older workers. A closer look reveals that, in fact, there are important differences in attitudes between large and small companies, and these have been shaped largely by business/social climate forces.

- For example, the "back to basics" thrust discussed previously is reflected in the much higher proportion of gatekeepers in the larger companies citing "knowledge of the business/industry" as a special strength of the older employee (Figure 4).
- And, larger companies are more likely to mention the problems older workers have in coping with new technologies (Figure 5).

PERCEIVED STRENGTHS AND WEAKNESSES OF OLDER WORKERS
(Unaided)

All Companies

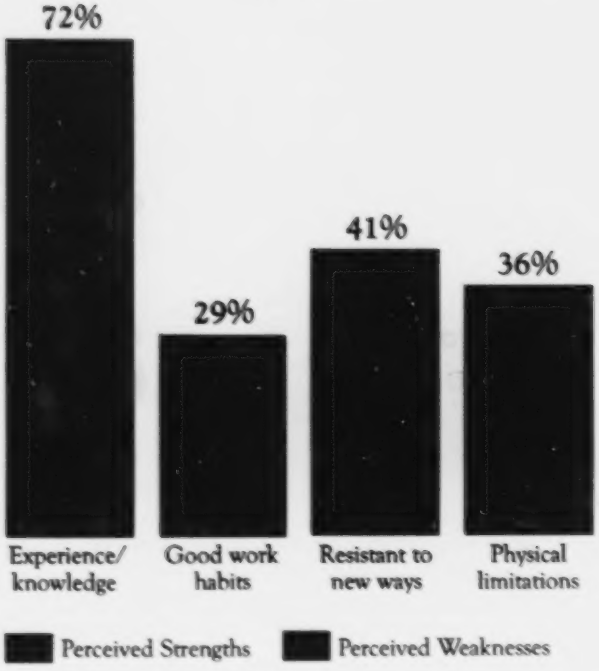


FIGURE 2

HIGH RATINGS OF OLDER WORKERS ON SELECTED CHARACTERISTICS

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Rated Excellent/Very Good					
Good attendance and punctuality	86	86	83	87	85
Commitment to quality	82	82	79	95	73
Loyalty and dedication to company	79	75	82	90	77
A great deal of practical not just theoretical knowledge	76	76	77	67	79
Solid experience in job and/or industry	74	71	74	75	86
Solid/reliable performance record	71	74	68	67	68
Someone to count on in a crisis	70	67	70	75	79
Ability to get along with co-worker	60	61	56	58	63
Emotional stability	59	61	63	50	62

FIGURE 3

LOWER RATINGS OF OLDER WORKERS ON SELECTED CHARACTERISTICS

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Rated Excellent/Very Good					
Physical agility	22	31	18	9	14
Desire to get ahead	18	23	17	1	7
Good educational background	17	23	16	14	12
Ability to learn new skills quickly	17	21	16	4	15
Feeling comfortable with new technologies	10	16	8	3	11

FIGURE 4

PERCEIVED STRENGTHS OF OLDER WORKERS

(Unaided)
By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Perceived Strengths (Unaided)					
Experience/Skill/Knowledge (Net)	72	63	76	74	85
Experience	56	53	59	54	45
Knowledge of the business	30	22	29	45	51
Good Work Attitude/Habits (Net)	29	29	32	30	22
Better attitude	23	23	26	28	16
Hardworking/consistently good	9	9	9	9	10

FIGURE 5

PERCEIVED WEAKNESSES OF OLDER WORKERS

(Unaided)
By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Perceived Weaknesses (Unaided)					
Resistant to New Ways (Net)	41	32	43	61	42
Lack of flexibility	32	21	33	57	33
Difficulty adapting to new technology	13	14	9	23	21
Physical Limitations (Net)	36	38	38	33	28
Limited energy	12	13	11	11	8
Physical limitation	10	14	10	8	7
Health problems	10	4	16	11	13

Four Key Priorities

The general attitudes toward older workers on the part of human resource decision makers come into sharper focus when considered in light of the important issues facing them. In this section, four key priorities for gatekeepers are identified, and their impact on perceptions of older workers discussed.

The differences in attitudes among gatekeepers from large and small companies, alluded to earlier, become clearer in this light. While large corporations struggle with the exigencies of the New Realism, small companies are faced with a very different set of problems, revolving around day-to-day manpower and capital needs.

As seen in Figure 6, productivity is a key issue for companies across the board, with over 8 in 10 (83%) paying "a great deal of attention" to maintaining and/or increasing productivity. But while the cost of health insurance is also receiving a great deal of attention, it is much more important in larger companies than smaller ones (88% vs. 56%). This reflects the generally higher level of health benefits found in large companies, and the accompanying pressures to cut costs.

In addition, much more attention is being paid to the introduction of technology in larger companies.

Conversely, absenteeism (which can be considered a productivity issue) is of much greater concern to the smaller companies.

Drawing from survey data and our studies of the business climate, then, issues surrounding the following four areas can be characterized as the key priorities for gatekeepers:

- Productivity
- Cost
- Technology
- Competitiveness.

Productivity: Older Workers Score Well

The need to stem the tide of stagnant or declining productivity has become a major item on the agenda for American business. More than ever before, executives have recognized the importance of employees in the productivity equation. So it is no surprise that when the respondents were given a list of desirable employee characteristics and asked to rate them in terms of importance to their companies,

FIGURE 6

COMPANY ISSUES RECEIVING A GREAT DEAL OF ATTENTION

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Maintaining and/or increasing productivity	83	85	84	74	81
Cost of health insurance	65	56	64	88	88
Absenteeism	61	63	64	51	46
Introduction of new technology	56	52	58	65	73

those related to productivity were considered to be of greatest importance (Figure 7).

While it may seem that attendance/punctuality is a "given," the issue is far from trivial in small companies, where simply "manning the plant" is a daily gatekeeper headache. Commitment to quality is, of course, very much on the minds of large and small company gatekeepers given the challenge from Europe and Japan.

It is very significant, therefore, that it is on the productivity issues that older workers receive the highest ratings from gatekeepers. As seen in Figure 7, high importance ratings on attendance/punctuality, commitment to quality and good performance are nearly matched by the ratings older workers received on these items.

The Expensive Older Worker: A Myth

The doctrine of cost-effectiveness has assumed almost religious proportions in the current business/social climate. With every expenditure undergoing cost/benefit evaluations, older employees have not escaped scrutiny.

FIGURE 7

COMPARISONS BETWEEN IMPORTANCE OF EMPLOYEE CHARACTERISTIC AND RATING OF OLDER WORKERS

All Companies

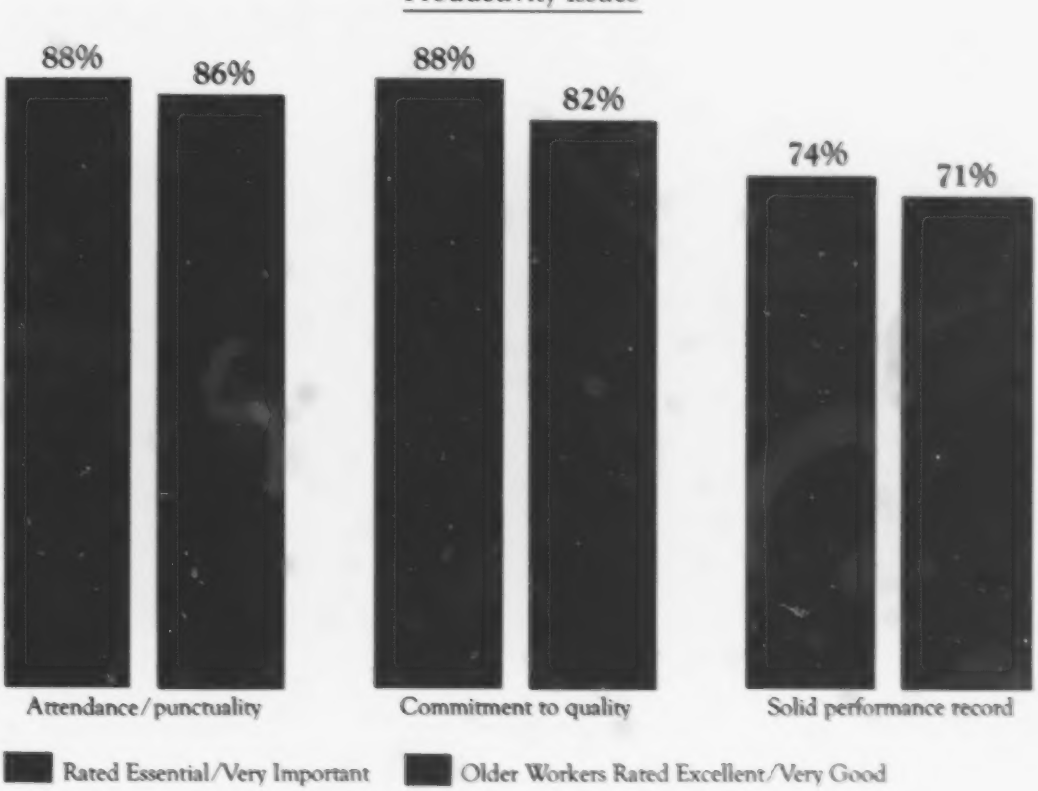


FIGURE 8

PERCEIVED SALARY DIFFERENTIALS AMONG AGE GROUPS

		Proportion of Older Workers in Company	
	All Companies	Less Than 20%	20% or More
	%	%	%
Total	100	100	100
Which Employee Is Generally Paid More, All Things Being Equal?			
Under 35 years	6	6	5
35 - 49 years	19	25	12
50 years and older	36	29	47
Age makes no difference	36	38	32
Can't say	3	2	4

According to the conventional wisdom, older workers cost more than their younger colleagues and are therefore appropriate cost-cutting targets. This view is not substantiated, however, by survey data.

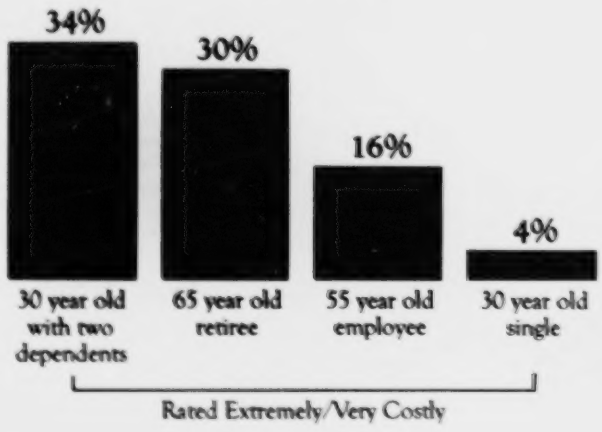
Although just over 1 in 3 (36%) identified the 50-plus employee group as highest paid "all other things being equal," just as many gatekeepers said that age makes no difference. However, the expense of older workers was cited more often in companies having higher proportions of them (Figure 8). The chief reasons given by those who chose the 50-plus group as highest paid were seniority and experience/skill level.

Looking more closely at the critical issue of health insurance costs, the respondents were asked to evaluate the relative expenditures for several "typical" employee types. As shown in Figure 9, only 16% of gatekeepers rated a 55 year old employee as extremely or very costly to insure. By contrast, a 30 year old with two dependents was judged to be expensive by 1 in 3 (34%). This difference is even more

FIGURE 9

PERCEIVED COST OF HEALTH INSURANCE FOR TYPICAL EMPLOYEE TYPES[1/]

All Companies



1/Average of male and female ratings for each age/life stage type.

dramatic in the large companies: gatekeepers were almost three times as likely to attribute high health insurance costs to young employees with dependents as they were to 50-plus employees (Figure 10), although fewer large companies (49%) consider the health care costs for older workers to be "insignificant" than do companies in general (62%) (Figure 11).

All in all, then, gatekeepers do not perceive the cost of older workers to be a problem. In fact, they see them as being cost-effective, overwhelmingly supporting the notion that the "cost of older workers is justified when you consider their value to the company"—this at the 90% level regardless of company size (Figure 11).

Technology: A Healthy Skepticism?

Comfort with new technologies is an area in which older employees receive their lowest ratings from human resource decision makers. This seems to be a particularly acute perception in larger companies where great efforts are being made to increase productivity via the introduction of new technologies, accounting for the large gap between importance of the issue and perceived performance of older workers (Figure 12).

Is this, however, simply a matter of resistance to change and/or an inability to enter the computer age? After all, the history of technology introduction, including office automation, has hardly been one of unbroken successes. In fact, many technological "panaceas" have proved disappointing. Thus, the perceived lack of comfort with technology on the part of the 50-plus employee may be partially rooted in a healthy skepticism, based on previous experiences with introductions of new technology. This implies that special

FIGURE 10

PERCEIVED COST OF HEALTH INSURANCE FOR TYPICAL EMPLOYEE TYPES

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Rated Extremely/Very Costly					
30 year old female with two dependents	37	29	39	60	46
30 year old male with two dependents	32	25	34	36	44
65 year old female retiree	30	21	32	54	50
65 year old male retiree	29	21	30	57	50
55 year old female	16	13	20	21	14
55 year old male	15	12	21	11	18
30 year old single female	4	4	7	2	—
30 year old single male	3	3	5	2	—

management efforts to bring older employees "on board"—such as using their experience to anticipate potential trouble spots—might increase their receptivity and reduce the perception of "discomfort" with new technologies.

FIGURE 11

ATTITUDES ABOUT THE COST OF OLDER WORKERS

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Agree Strongly/Somewhat					
Cost of older workers is justified when you consider value to the company	90	92	87	87	88
Extra cost of health insurance for older employees insignificant compared to total company health care	62	67	61	65	49

FIGURE 12

COMFORT WITH NEW TECHNOLOGIES

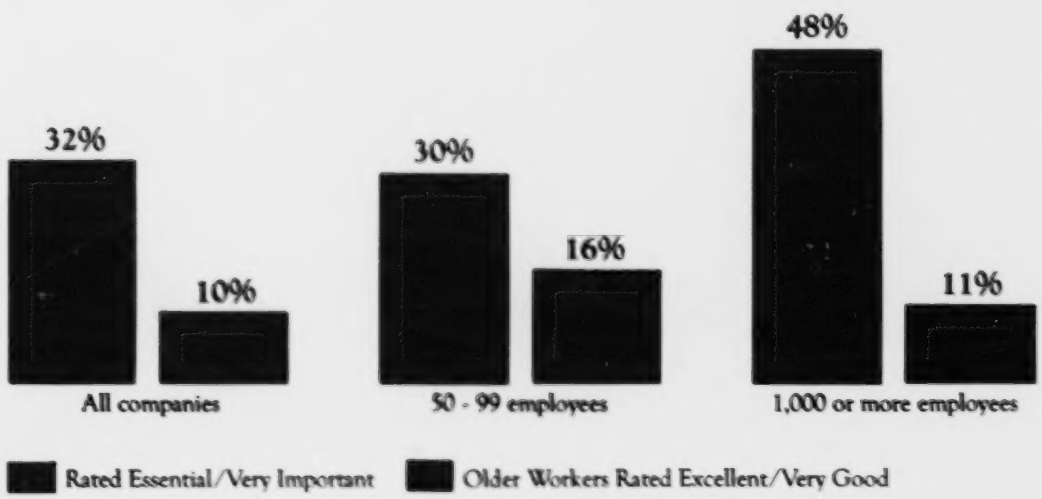
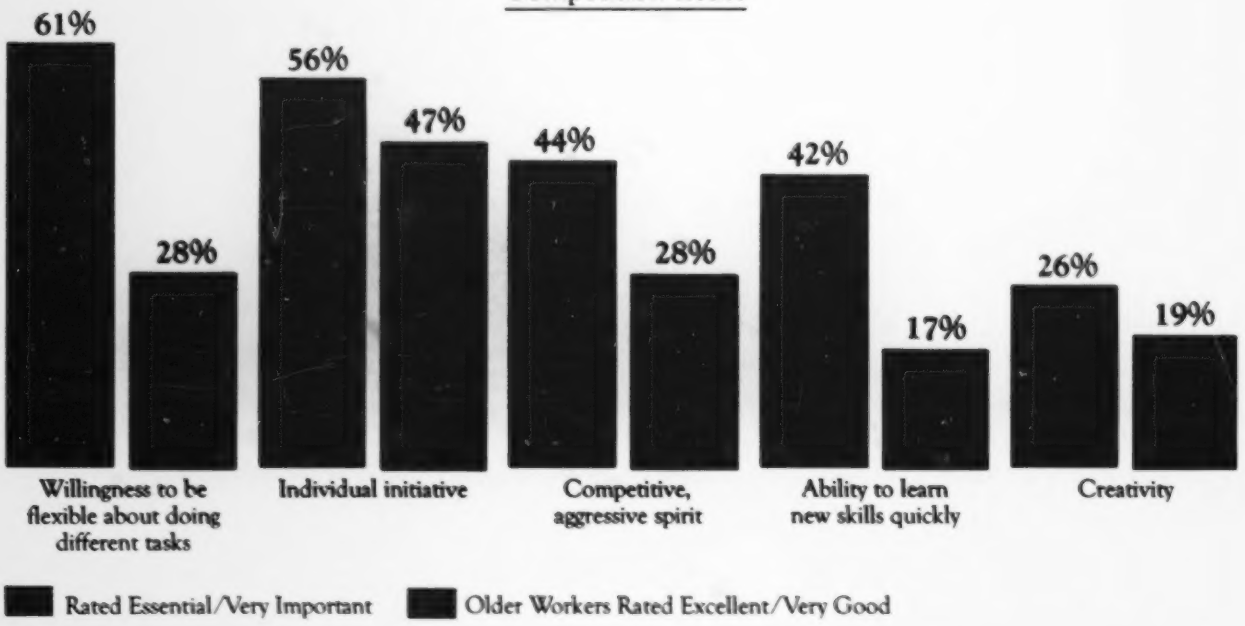


FIGURE 13

COMPARISONS BETWEEN IMPORTANCE OF EMPLOYEE CHARACTERISTIC AND RATING OF OLDER WORKERS

All Companies

Competition Issues



Competitiveness: An Area of Vulnerability

The issue of adaptation to technology suggests a broader set of issues related to what we have called competitiveness—criteria such as flexibility, aggressiveness, and adaptability so vital in the era of the New Realism. Here, significant gaps emerge between the importance attached to specific issues by gatekeepers and their perceptions of older worker performance on those issues. The greatest gaps were found on flexibility, ability to learn new skills quickly, and a competitive, aggressive spirit (Figure 13).

Furthermore, when we look only at the largest companies studied—those with 1,000 or more employees—these gaps are even more pronounced (Figure 14). This is partially because, driven by the business/social climate, competitiveness issues have greater salience for the larger firms. For instance, "a competitive and aggressive spirit" and "creativity" were rated essential/very important by 67% and 49% of large companies, compared to 44% and 26% for companies as a whole (Figures 13 and 14).

In addition, older employees received generally lower marks on competitiveness issues from the large company gatekeepers, creating the large gaps illustrated in Figure 14.

* * * * *

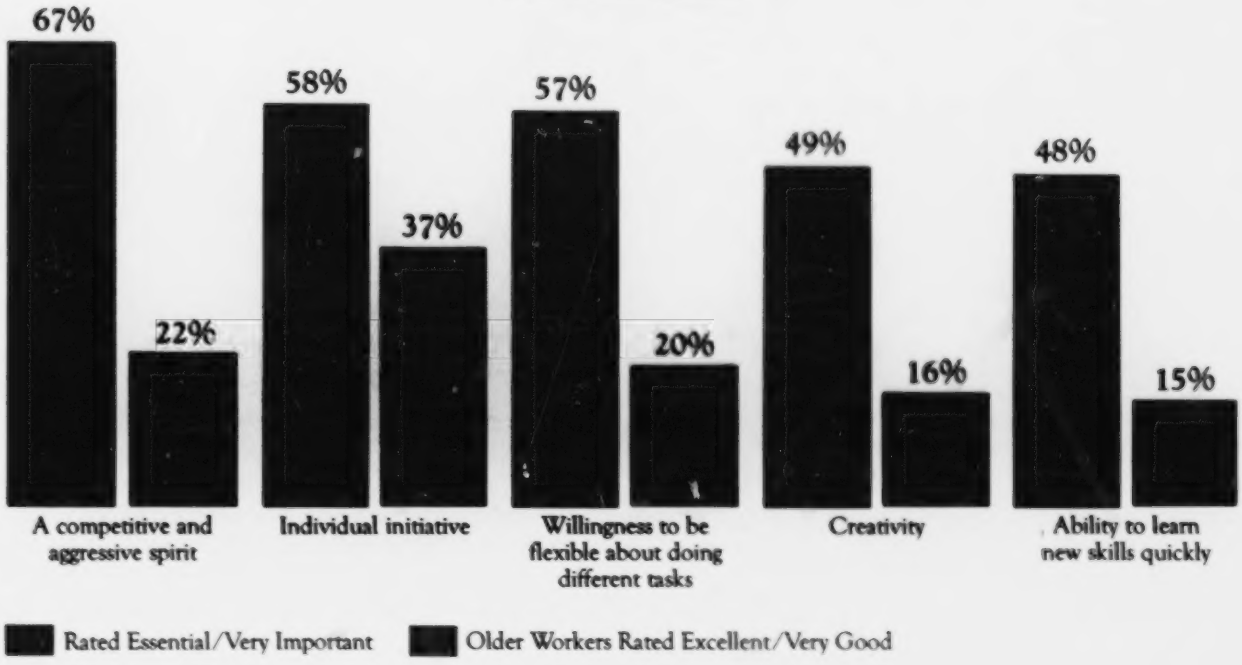
Unlike productivity and cost, then, the issues surrounding the agenda of the New Realism—competitiveness, flexibility, and adaptability to new skills and technologies—constitute an area of vulnerability for the older employee, particularly in larger companies. Regardless of their accuracy, these negative perceptions stand in the way of the older worker in an era when competitiveness issues have become important criteria for human resource management.

FIGURE 14

COMPARISONS BETWEEN IMPORTANCE OF EMPLOYEE CHARACTERISTIC AND RATING OF OLDER WORKERS

Companies With 1,000 or More Employees

Competition Issues



OLDER WORKERS IN A NEW BUSINESS CLIMATE

The concept of "fairness" remains one of the fundamental values of the American ethos, but its meaning has changed over time. What is meant by a "fair shake" for the older worker in today's climate?

There are really two aspects to this notion of a fair shake, one broad and one narrow. The narrow one might be termed the equity issue. It involves overt or systematic unfair treatment of the older worker: technological displacement with disproportionate impact on the older worker, forced retirement, or denial of training or promotion opportunities. Most of these practices, of course, are illegal.

The second, broader aspect is the idea of a new work contract—reciprocity—in which the organization rewards those employees, regardless of age, whose contributions most advance its objectives. The development of a framework for reciprocity between American business and the older worker would seem to be a critical prerequisite for ensuring continued employment options for the older employee.

Such a framework must take into account four important areas of changing attitudes brought to light by the survey. These are:

- Continuation of employment
- Utilization of special skills
- Entitlements
- Self-reliance.

The gatekeepers recognize that the recent trend toward lower labor force participation for the 50-plus individual may be waning, and that the bloom may be off the rose of early retirement in the minds of many. Eight in ten (81%) agree that most of today's older employees would prefer to continue working for as long as possible (Figure 15).

As suggested earlier, the belief in entitlements which flowered in the 1960's and 1970's has also waned. Thus, many fewer gatekeepers support the granting of special treatment to longer service employees (Figure 15). In today's climate, they must be judged according to their continuing ability to contribute to the organization's goals.

But if older employees should not automatically receive favored treatment, there is wide recognition that they do have the ability to make a unique contribution. Overwhelmingly, the gatekeepers agreed that older workers have special skills for tackling new problems (Figure 15). By implication, therefore, a framework for reciprocity should provide opportunities for the skills and abilities of older employees to be utilized.

Viewed in this light, then, the older employee can be thought of as an asset with a built-in right to be made use of fully. The

FIGURE 15

ATTITUDES ABOUT EQUITY FOR OLDER WORKERS

	All Companies
	%
Agree Strongly/Somewhat	
Most of our older workers prefer to continue working as long as possible	81
Older workers have special skills for solving new problems based on knowledge/experience	83
An employee who has worked for the company for more than 20 years is entitled to special treatment	56

perceived value of this asset to companies, however, depends a great deal on the individual. As we will see, the survey data strongly indicate that self-reliance among older employees themselves—the effort required to maintain the value of the asset they represent—is an important element in realizing the goal of full utilization of the older worker.

Having examined the narrow and broad aspects of fairness, what are the best ways to achieve it? What are companies already doing to move toward this new work contract with the older worker? The survey data suggest that effective approaches would include at least six elements, each of which are explored in greater detail below:

- Corporate policy
- Federal policy
- Management practices
- Training
- Employment strategies
- Role for older workers.

Before looking at these in detail, it would be useful to get a sense of who should be looking out for the older worker from the gatekeepers' point of view.

When asked to rate the degree to which various factors should be responsible for a fair shake for older workers, about 7 in 10 placed major responsibility on corporate policy (72%), older workers themselves (72%) and senior management (70%). Significantly fewer gatekeepers considered Federal laws (46%) and regulations (40%) as bearing primary responsibility (Figure 16).

Those within the company, therefore, are considered to have greater responsibility than outside "watchdogs" for ensuring fairness for older workers.

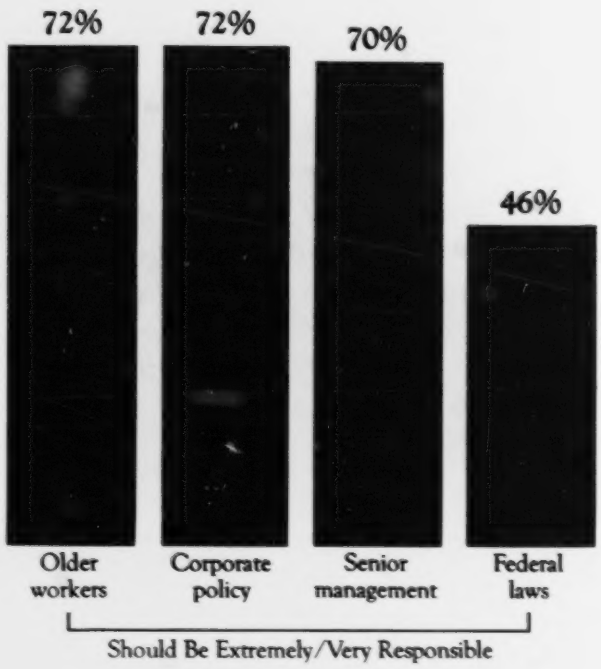
Corporate Policy

Looking first at the narrower equity issue, there is little evidence from the survey of any overt or conscious discrimination against older

FIGURE 16

RESPONSIBILITY FOR A FAIR SHAKE FOR OLDER WORKERS

All Companies



workers. For instance, about 6 in 10 (58%) gatekeepers disagreed strongly that company policies toward older workers were "too harsh." Almost half strongly disagreed that top management wishes to replace long tenured workers with new blood (45%) or that policies promoting fairness were not carried out (48%). It is interesting to note that on this last item, disagreement among large company gatekeepers was less strong (25%). While not in itself a sign of discrimination, this may suggest that there are pockets of less than strict adherence to policy within large organizations (Figure 17).

Continuation of employment was one of the central features of the framework for reciprocity developed earlier. In fact, only 1 in 4 companies (24%) has a mandatory retirement policy and even fewer (14%) have

early retirement programs. In addition, almost half (49%) of the companies surveyed indicated support for the elimination of mandatory retirement (Figure 18). Among the larger companies, however, mandatory and early retirement programs are much more prevalent and support for eliminating mandatory retirement significantly weaker (Figure 18).

FIGURE 17

ATTITUDES REGARDING CORPORATE POLICY TOWARD OLDER WORKERS

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Disagree Strongly					
Policies promote fairness, but are not always carried out	48	58	49	45	25
Senior management would like to get rid of long-tenured employees and bring in new blood	45	45	45	34	54
Company policies toward older workers are too harsh	58	59	59	64	61

FIGURE 18

EMPLOYMENT POLICY

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Support elimination of mandatory retirement	49	56	48	44	23
Have mandatory retirement policy	24	10	29	50	43
Have early retirement	14	4	13	37	41

FIGURE 19

ATTITUDES TOWARD FEDERAL POLICY

By Company Size

	All Companies	50-99 Employees	100-499 Employees	500-999 Employees	1,000+ Employees
	%	%	%	%	%
Agree Strongly/Somewhat					
Older workers' needs can be met adequately by observing existing laws/regulations	67	66	67	61	76
Government has gone too far in legislating policy re: older workers	46	49	43	52	47
Tighter federal regulation would encourage utilization of older workers	18	18	20	15	19

Federal Policy

During the 1960's, the Federal government took the lead on the equity issue, outlawing age-based discrimination. The consensus among gatekeepers is that the Federal laws and regulations already in place are adequate to protect older workers, and that no new governmental action is needed.

Two-thirds (67%) of the gatekeepers surveyed agreed that "observing existing laws/regulations" was sufficient to meet older workers' equity needs (Figure 18).

As for the effectiveness of government action to promote reciprocity, only about 2 in 10 (18%) believe that tighter regulation would encourage companies to utilize older workers, and, in fact, almost half (46%) say that the government has gone too far in its efforts to legislate policy regarding older employees (Figure 19).

Management Practices

Utilizing the skills of older workers is a vital aspect of any framework for reciprocity between them and companies. It is clear from the survey, however, that some potentially attractive approaches remain untried by many organizations.

For instance, the gatekeepers were asked to judge the likely effectiveness of a number of approaches for utilizing older workers. Two of those were deemed likely to be effective by the largest number of gatekeepers: a formal commitment by senior management, and educating line managers about ways to utilize older workers, cited by two-thirds (64%) and half (50%) respectively (Figure 20).

Yet, according to the gatekeepers, a formal commitment by senior management has been made in only one-third (33%) of the companies studied, while programs to educate managers on the utilization of older workers have begun in 3 in 10 companies (29%) (Figure 20).

Needless to say, without a commitment from the top, the framework for ensuring continued employment options for the older worker will not gain wide organizational

support. And, as in the case of receptivity to technology discussed previously, special management techniques may be necessary to rally older employees behind the corporate agenda.

Training

Almost half the gatekeepers (48%) believe that skill training for older workers would be effective in increasing their utilization, but only 3 in 10 companies have begun implementing such programs (Figure 21).

Given the perception that older workers have trouble learning new skills and/or technologies, this leads to an interesting question: would older workers have an easier time adapting given improved training?

FIGURE 20

APPROACHES FOR UTILIZING OLDER WORKERS

All Companies

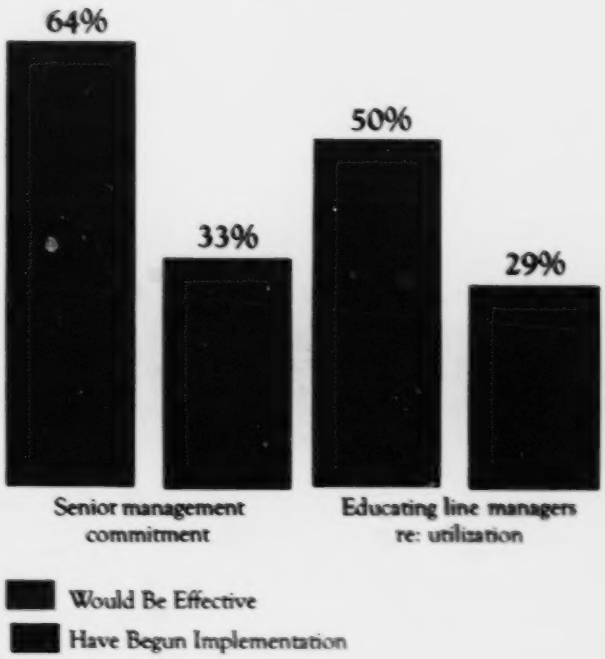


FIGURE 21

APPROACHES TO TRAINING AND THE OLDER WORKER

All Companies

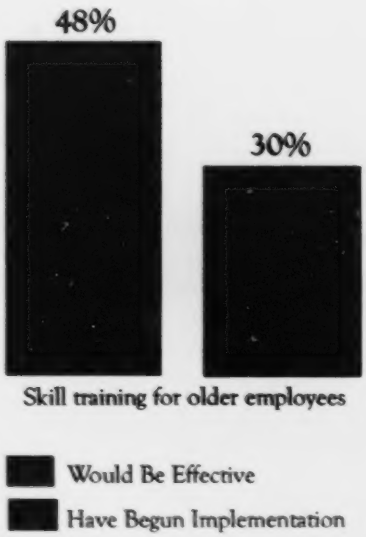
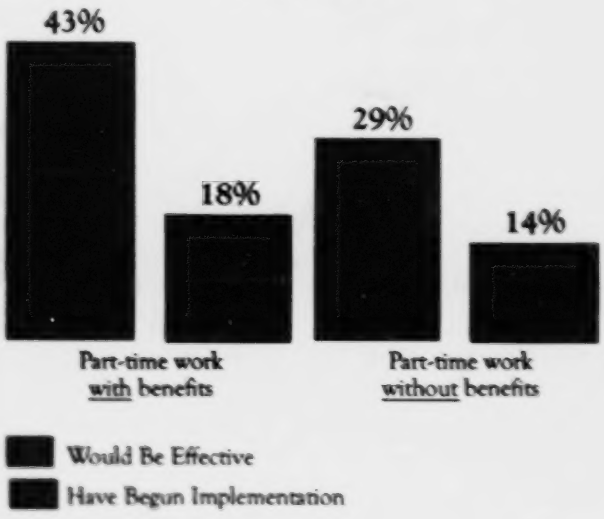


FIGURE 22

EMPLOYMENT APPROACHES FOR RETAINING OLDER WORKERS

All Companies



Employment Strategies

Another way to leverage the skills of older workers is to enable them to continue working part time, particularly with ongoing benefit coverage. Again, many gatekeepers recognize the possible effectiveness of this approach (43%), but it has been adopted by fewer than 2 in 10 (18%) companies (Figure 22).

Gatekeeper views suggest, therefore, that in the areas of management practices, training, and retention strategies, more could be done to encourage the full utilization of older employees—a key element in our framework for reciprocity. We did learn, however, that in companies with higher proportions of 50-plus employees (20% or more), some of the suggested approaches are being implemented more frequently (Figure 23).

A Role for Older Employees

Another important finding emerging from the survey data is that from the gatekeepers' point of view, older employees hold the keys to their own destinies. As seen in Figure 24, older workers are believed to be their own most effective advocates by far, as well as their own most potent obstacles. Not surprisingly, therefore, they are thought to have the greatest impact on policies affecting them (Figure 25).

These opinions should not be dismissed as self-serving on the part of the gatekeepers. Instead, they reflect the very real trend towards self-reliance and individual responsibility in society as a whole. While it is evident that certain programs, such as skill training, have not yet been implemented widely, it is also evident that older workers have the responsibility to take advantage of the opportunities when they are offered.

FIGURE 23

IMPLEMENTATION OF NEW APPROACHES

By Proportion of Older Workers

	All Companies	Proportion of Older Workers: Less Than 20%	Proportion of Older Workers: 20% or More
	%	%	%
Have Begun Implementation			
Formal commitment by senior management	33	25	41
Skill training for older employees	30	26	38
Educating managers about ways to use older workers	29	25	34

FIGURE 24

FACTORS SHAPING THE ROLE OF OLDER WORKERS

All Companies

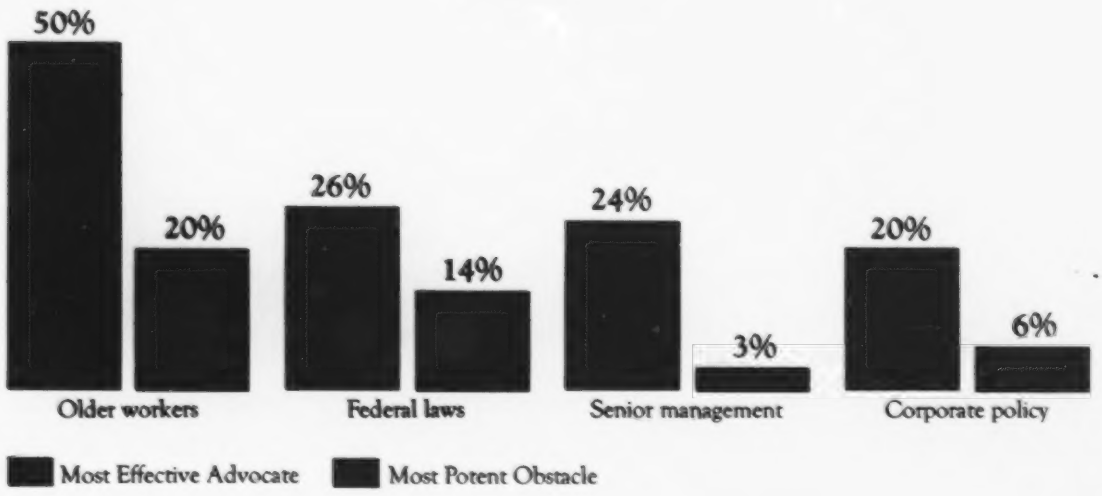
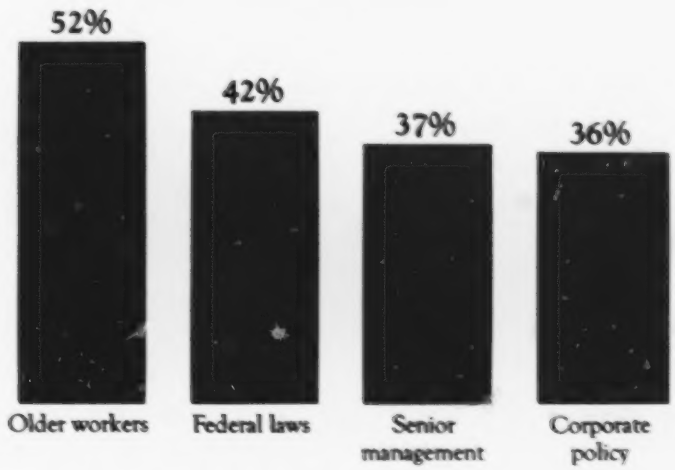


FIGURE 25

GREATEST IMPACT ON POLICY

All Companies



IMPLICATIONS: TOWARD RECIPROCITY

In searching for effective methods for promoting continued employment options for the older worker, we have focused primarily on the broader issues—what we have called a framework for reciprocity—and less on the more narrowly defined equity issues. Why this emphasis? It is not that we are blind to the fact that specific instances of age discrimination do take place. However, this study—using the techniques of survey methodology—did not unearth signs of a systematic denial of opportunity on the part of gatekeepers. Even negative perceptions of the older employee are somewhat subtle, driven more by the volatile nature of the business climate than simple prejudice.

In addition, a focus on equity issues implies the need for safeguards mandated by the Federal government. Everything we know about the climate suggests strongly that the era for new Federal intervention, while not over, has passed its peak.

For these reasons, working toward reciprocity—a framework in which the objectives of both companies and older workers can be met—seems the most effective avenue for achieving the goal of continued employment options for the 50-plus employee. As has been suggested, and as the word reciprocity itself implies, the creation of such a framework requires action on the part of employers and older workers.

The generally positive attitudes toward older workers held by gatekeepers, the vigorous generation now reaching 50-plus status, and expected acute labor shortages all point to the desirability of fully utilizing the older worker. We believe that with cooperation and effort, the attainment of this goal is within the reach of American business and its older employees.

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